



STEVEN L. SCHEID
Chairman and
Chief Executive Officer

April 27, 2004

Dear Institutional Client,

I'm pleased to report that Janus has reached agreements in principle with the New York and Colorado Attorneys General, as well as with the Colorado Division of Securities. Additionally, we have reached an agreement in principle on monetary terms with the U.S. Securities and Exchange Commission (SEC) staff, which is subject to approval by the SEC commissioners.

Under the terms of the agreements in principle, Janus will establish a pool of \$100 million that will be available to compensate investors for the adverse effects of frequent trading activities. This amount includes \$50 million in civil penalties. In addition, Janus will make \$1.2 million in other settlement-related payments required by the state of Colorado. We have also agreed to reduce our management fees by approximately \$25 million per year for the next five years. Detailed information on the terms of the agreements is provided in the attached question and answer document.

Today's announcement is important not only for Janus but for our clients. It reflects our strong commitment to doing what's right and to putting our clients' interests first.

Since accepting the position of chief executive officer one week ago, I have been asked repeatedly to comment on my top priorities for the firm. Without hesitation, I've responded that we have two priorities – getting to full resolution with regulators and delivering consistently strong fund performance results to our clients.

With today's announcement, the financial aspects of the regulatory piece are now largely behind us and I'm pleased to report that we're making solid progress in achieving our performance goals. Our investment results continue to improve and our new president and chief investment officer, Gary Black, is on board working with our investment team to further refine our investment and research process.

We look to the future with optimism about what lies ahead. At the same time, we fully recognize that our business is built on trust and we're working hard to earn our investors' confidence every step of the way. Our single-minded focus is on delivering the results that our clients expect while living up to the highest ethical standards.

We thank you for your patience over the past several months and look forward to our continued partnership.

Sincerely,

Steve Scheid
Chairman and Chief Executive Officer

Please consider the charges, risks, expenses and investment objectives carefully before investing. For a prospectus containing this and other information, please call Janus at 1-800-525-1068 or download the file from janus.com. Read it carefully before you invest or send money. Past performance is no guarantee of future results.